UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

APR 12 2012

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Douglas K. Cooper
Vice President, General Counsel and Secretary
Escanaba Paper Company
7100 County Road 426
Escanaba, Michigan 49829

Re: Escanaba Paper Company
Administrative Consent Order

Dear Mr. Cooper:

Enclosed is an executed original of a Consent Order regarding the above captioned case. If you have any questions about the Order, please contact me at (312) 886-0243.

Sincerely yours,

Sara Breneman, Chief
Air Enforcement and Compliance Assurance
Section MI/WI

Enclosure

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

IN THE MATTER OF:	)	**EPA-5-11-113(a)-MI-01**
	)	
Escanaba Paper Company,	)	Proceeding Under
Escanaba, Michigan	)	Section 113(a)(3) of
	)	the Clean Air Act,
	)	42 U.S.C. § 7413(a)(3)
	)	
	)	

Administrative Consent Order

1. The Acting Director of the Air and Radiation Division U.S. Environmental Protection Agency, Region 5, is issuing this order to Escanaba Paper Company under Section 113(a)(1) and (3) of the Clean Air Act (Act), 42 U.S.C. § 7413(a)(1) and (3).

Statutory Authority

2. On April 15, 1998, EPA promulgated the National Emission Standards for Hazardous Air Pollutants for the Pulp and Paper Industry at 40 C.F.R. Part 63, Subpart S (63 Fed. Reg. 18617).

3. Subpart S, at 40 C.F.R. § 63.441, defines a "Low Volume, High Concentration or LVHC system" as the collection of equipment including the digester, turpentine recovery, evaporator, steam stripper systems, and any other equipment serving the same function as those previously listed.

4. Subpart S, at 40 C.F.R. § 63.443(a)(1)(i), requires that Hazardous Air Pollutant (HAP) emissions from each Low Volume High Concentration (LVHC) system be controlled.

5. Subpart S, at 40 C.F.R. § 63.443(c), requires equipment systems listed in paragraphs (a) and (b) of Section 63.443 to be enclosed and vented into a closed-vent system and routed to a control device that meets the requirements specified in paragraph (d) of Section 63.443. The enclosures and closed-vent system must meet the requirements specified in § 63.450.

6. Subpart S, at 40 C.F.R. § 63.450(a), requires each enclosure and closed-vent system specified in §§ 63.443(c), 63.444(b), and 63.445(b) for capturing and transporting vent streams that contain HAP to meet the requirements specified in paragraphs (b) through (d) of Section 63.450.

7. Subpart S, at 40 C.F.R. § 63.450(d)(1), provides that, for each bypass line in the closed vent system that could divert vent streams to the atmosphere without meeting the

emission limitations in §§ 63.443, 63.444, or 63.445, the owner or operator must install, calibrate, maintain, and operate according to the manufacturer's specifications a flow indicator that is capable of taking periodic readings as frequently as specified in § 63.454(e). The flow indicator must be installed in the bypass line in such a way as to indicate flow in the bypass line.

8. Subpart S, at 40 C.F.R. § 63.446(d)(2)(i), requires the fixed roof and all openings (e.g., access hatches, sampling ports, gauge wells) of a condensate tank used in the closed collection system to be designed and operated with no detectable leaks as indicated by an instrument reading of less than 500 parts per million above background, and vented into a closed-vent system that meets the requirements in §63.450 and routed to a control device that meets the requirements in § 63.443(d).

9. Subpart S, at 40 C.F.R. § 63.450(c), requires that each component of the closed-vent system used to comply with §§ 63.443(c), 63.444(b), and 63.445(b) that is operated at positive pressure and located prior to a control device be designed for and operated with no detectable leaks as indicated by an instrument reading of less than 500 parts per million by volume above background, as measured by the procedures specified in § 63.457(d).

10. Subpart S, at 40 C.F.R. § 63.457(d)(i), requires the owner or operator to measure detectable leaks for closed-vent systems as specified in § 63.450 or for pulping process wastewater collection systems as specified in § 63.446(d)(2)(i) using Method 21, of part 60, appendix A.

11. Subpart S, at 40 C.F.R. § 63.445(b), requires the equipment at each bleaching stage of the bleaching systems listed in paragraph (a) of Section 63.445, where chlorinated compounds are introduced, to be enclosed and vented into a closed-vent system and routed to a control device that meets the requirements specified in paragraph (c) of Section 63.445. The enclosures and closed-vent system must meet the requirements specified in § 63.450.

Findings

12. Escanaba Paper Company (Escanaba) owns and operates a plant site located at 7100 County Road 426, Escanaba, Michigan that uses the kraft pulping process to produce wood pulp (Escanaba or facility).

13. The facility identified in paragraph 12 is a major source of Hazardous Air Pollutants (HAP), as defined in 40 C.F.R. § 63.2 of Subpart A, and is subject to the requirements of 40 C.F.R. Part 63, Subpart S.

14. EPA issued a Finding of Violation (FOV) to NewPage Corporation, the permit holder of the Escanaba facility, on September 23, 2010, which stated that the Escanaba facility was in violation of Maximum Achievable Control Technology (MACT) standards that regulate HAP emissions from the Pulp and Paper Industry, 40 C.F.R. Part 63, Subpart S.

15. EPA alleged that Escanaba failed to:

a. Install a calibrated flow indicator on 19 bypass lines as required by 40 C.F.R. § 63.450(d)(1).

b. Control chlorinated HAP emissions from the bleach plant scrubber as required by 40 C.F.R. § 63.445(b).

c. Conduct monitoring using Method 21 of 40 C.F.R. Part 60, Appendix A, on condensate collection tanks from 2007 through 2009 as required by 40 C.F.R. §§ 63.446(d)(2), 63.450(c) and 63.457(d)(i).

16. By December 20, 2010, Escanaba incorporated 42 valves into its Leak Detection and Repair program from condensate collection tanks that were previously not included.

17. By July 2011, Escanaba completed the installation of 19 calibrated flow indicators on bypass lines that previously had instrumentation available but no programmable control logic to determine if bypassing had occurred.

18. By December 20, 2010, Escanaba was including each digester's closure mechanism in Escanaba's weekly visual inspections.

Compliance Program

19. Within sixty (60) days of the effective date of this Order, Escanaba shall submit a report indicating a date each of the following activities were completed and/or incorporated into a monitoring program:

    a. Installed calibrated flow indicators on 19 bypass lines (Identify by name or numerical identifier each of the 19 bypass lines);

    b. Inclusion of closure mechanisms in Escanaba's weekly visual inspection of each digester.

20. Escanaba shall send the report to:

    Constantinos Loukeris (AE-17J)
    Air Enforcement and Compliance Assurance Branch
    Air and Radiation Division
    U.S. Environmental Protection Agency, Region 5
    77 West Jackson Boulevard
    Chicago, Illinois 60604

General Provisions

21. This Order does not affect Escanaba's responsibility to comply with other federal, state and local laws.

22. This Order does not restrict EPA's authority to enforce any section of the Act.

23. Nothing in this Order limits EPA's authority to seek appropriate relief, including penalties under Section 113 of the Act, 42 U.S.C. § 7413, except for federal civil penalties for the violations alleged in this Order.

24. Failure to comply with this Order may subject Escanaba to penalties of up to $37,500 per day for each violation under Section 113 of the Act, 42 U.S.C. § 7413, and 74 Fed. Reg. 626 (January 7, 2009) (amending 40 C.F.R. Part 19).

25. The terms of this Order are binding on Escanaba, its assignees and successors. Escanaba must give notice of this Order, if still in effect, to any successors in interest, prior to transferring ownership and must simultaneously verify to EPA, at the above address, that Escanaba has given the notice.

26. This Order is not subject to the Paperwork Reduction Act, 44 U.S.C. § 3501 et seq., because it seeks information by an agency from specific individuals or entities as part of an administrative action or investigation. To aid in our electronic record keeping efforts, please provide your response to this Order without staples. Paper clips and binder clips are acceptable.

27. EPA may use any information submitted under this Order in an administrative, civil or criminal action.

28. Escanaba agrees to the terms of this Order.

29. This Order is effective on the date of signature by the Acting Director of the Air and Radiation Division. This Order will terminate one year from the effective date, provided that Escanaba has complied with all terms of the Order throughout its duration.

Escanaba Paper Company, Respondent

April 2, 2012
Date

Douglas K. Cooper
Vice President, General Counsel and Secretary
Escanaba Paper Company

United States Environmental Protection Agency, Complainant

4/12/12
Date

George T. Czerniak
Acting Director
Air and Radiation Division
U.S. Environmental Protection Agency
Region 5

CERTIFICATE OF MAILING

I, Loretta Shaffer, certify that I sent Administrative Consent Order, No. EPA-5-11-113(a)-MI-01, by Certified Mail, Return Receipt Requested, to:

Douglas K. Cooper
Vice President, General Counsel and Secretary
Escanaba Paper Company
7100 County Road 426

I also certify that I sent copies of the Administrative Consent Order by first-class mail to:

Chris Hare, District Supervisor
Michigan Department of Environmental Quality
Saginaw Bay District Office
401 Ketchum Street, Suite B
Bay City, MI 48708

Tom Hess, Enforcement Unit Chief
Michigan Department of Environmental Quality
Lansing District Office
525 W. Allegan (Constitution Hall, 4th Floor, North)
P.O. Box 30242
Lansing, MI 48909-7742

On the 12th day of April 2012.

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7673 9573

Loretta Shaffer
Office Automation Assistant
AECAB, PAS